

20cr232 DSP/kmm

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,

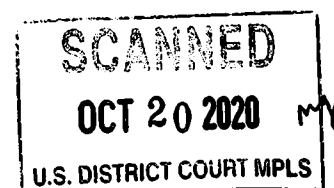
Plaintiff,

v.

- (1) RUSSELL JASON RAHM,
also known as "Rusty Rahm,"
- (2) TERRY LYNN CHRISTENSEN,
- (3) JANNICE KRISTINA LAUR,
- (4) PETRA JINETTE LABOY,
- (5) DAVID JOHN MOULDER,
- (6) ANTHONY EUGENE MOULDER,
- (7) RHONDA JEAN MOULDER,
- (8) BARBARA ANN MOULDER,
- (9) LUIS ORLANDO MENDIZABAL
- (10) JEFFREY LEE SMOLIAK,
- (11) JOHN MICHAEL BLALOCK,
- (12) LLOYD JOSEPH LOFTIS,
- (13) BRYANT JARODE CRITTEN,
- (14) NATESHA JAHMELIA MARSON,
- (15) THOMAS ATHANASIOS KIRITSIS,
- (16) DANIEL MORRIS KLIBANOFF,
- (17) BRIAN DOUGLASS COX,
- (18) JOHN THOMAS HARBERT III,
- (19) AMONDO ANTOINE MILLER,
- (20) KILEY MARIE SAINDON,
also known as "Kiley Lucero,"
- (21) HENRY ARAGON,
- (22) LUCILLE J. PATTERSON,
also known as "Lucille Makatura,"
- (23) JAMES ANTHONY SIERRA,
- (24) TARA NICOLE CREASON,
- (25) YVONNE PATTERSON,
- (26) CHARITIE A. SEELYE,
- (27) BONNIE LEE COLBERT,
also known as "Bonnie Rankin,"
- (28) JENNIFER LYNN GIRARDIN,
also known as "Jennifer Key" and
"Jennifer Roybal,"
- (29) JESSICA MARIE PRINCE,

INDICTMENT

18 U.S.C. § 1349
18 U.S.C. § 1341
18 U.S.C. § 1343
18 U.S.C. § 2326



- (30) BRIAN JAMES WILLIAMS,
- (31) TASHENA LAVERA CRUMP,
- (32) JARED THOMAS MICHELIZZI,
- (33) ERIC PATRICK McGARRITY,
- (34) ANDREW JOHN LANDSEM,
- (35) BALLAM HAZEAKIAH DUDLEY,
- (36) CAITLIN COLLEEN SCHLUSSER,
- (37) MONICA SABINA SHARMA-
HANSEN,
- (38) TIMOTHY PAUL HANSEN,
also known as "Scotty,"
- (39) CORLOS KENTRELL SMITH,
- (40) STACEY LEIGH PERSONS,
also known as "Stacey Granberry,"
- (41) PATRICIA NICHOLE SHINN,
also known as "Nikki,"
- (42) LEEANN GARCIA,
also known as "Cali," and
- (43) ERIC STEPHEN ESHERICK,

Defendants.

THE UNITED STATES GRAND JURY CHARGES:

OVERVIEW

1. Over the past twenty years, the defendants devised and carried out a telemarketing scheme to defraud victim-consumers located across the United States, many of whom were elderly and vulnerable. They accomplished their fraud scheme by calling victim-consumers who had one or more existing magazine subscriptions and offering to "renew" the existing magazine subscriptions, often at a reduced cost. In reality, the defendants were not calling to renew or reduce the price of the existing subscriptions. Instead, the defendants tricked their victims into signing up for entirely new magazine subscriptions, which they did not want and often could not afford.

2. The defendants and their companies bought and sold lists of victim-consumers who had active and ongoing magazine subscriptions for use in carrying out the scheme. As a result, many victim-consumers were victimized by multiple magazine companies. Some were fraudulently billed by as many as ten companies at a time and received more than \$1,000 in monthly magazine subscription charges. In all, the defendants stole more than \$300 million from more than 150,000 victims using this scheme.

COUNT 1
(Conspiracy To Commit Mail Fraud)

3. At times relevant to this Indictment:

a. Defendant RUSSELL RAHM was the owner and Chief Executive Officer of several Kansas-based companies involved in fraudulent magazine sales, including Subscription Ink Co. and Millennium Marketing. Defendant RAHM and his companies provided an array of services to companies involved in fraudulent magazine telemarketing sales. Among other things, defendant RAHM and his companies provided sales leads and handled order management, billing, and collections for companies involved in fraudulent magazine sales in exchange for a percentage of the revenue received from victim-consumers. Subscription Ink Co. and Millennium Marketing were located in Shawnee, Kansas.

b. Defendant TERRY CHRISTENSEN and Michael Jon Oelrich operated telemarketing call centers in Fort Lauderdale and Cape Coral, Florida, on behalf of defendant RAHM. Defendant CHRISTENSEN and Oelrich's call centers

were involved in fraudulent magazine sales to customers throughout the United States.

c. Defendant CHRISTENSEN and Oelrich ran these call centers under a variety of company names, including MO Management LLC, Preferred Media Source Inc., Preferred Media Solutions, American Readers Service, Atlantic Media Source, North American Direct Service, Inc., and North America's Readers Choice. Defendant CHRISTENSEN and Oelrich ran the call centers at the direction of defendant RAHM. Defendant RAHM and his companies provided sales leads to the call centers, processed the orders, and handled customer billing and collections on behalf of the call centers. Defendant RAHM paid a percentage of the sales revenue to Oelrich in exchange for his operation of the call centers.

d. Defendants JANNICE LAUR and PETRA LABOY worked as managers of the Fort Lauderdale and Cape Coral call centers.

e. Defendant DAVID MOULDER was the owner and Chief Executive Officer of several Minnesota-based companies, including PS Online, Viking Magazine, Total Customer Service, and Direct Clearing, that provided an array of services to companies involved in fraudulent magazine sales.

f. PS Online was a Minnesota-based company that provided customer relationship management ("CRM") software used by companies involved in fraudulent magazine sales. Total Customer Service was a Minnesota-based company that handled collections on behalf of companies involved in fraudulent magazine sales. PS Online and Total Customer Service were based in Burnsville, Minnesota.

g. Defendant DAVID MOULDER also provided sales leads to a fraudulent magazine sales company run by his brother, defendant ANTHONY MOULDER.

h. Defendant ANTHONY MOULDER owned and operated several Florida-based companies involved in fraudulent magazine sales, including Gulf Coast Readers Inc., ARCO Media Inc., KMK Magazines Inc., and Leisure Time Resources Inc. These companies operated telemarketing call centers in Cape Coral, Florida. Defendant ANTHONY MOULDER previously owned a Minnesota-based company involved in fraudulent magazine sales called Midwest Readers.

i. Defendant RHONDA MOULDER was the manager of Gulf Coast Readers Inc. and ARCO Media Inc.

j. In or about March 2014, Gulf Coast Readers Inc. and defendants ANTHONY MOULDER and RHONDA MOULDER entered into an Assurance of Voluntary Compliance with the Florida Attorney General's Office. As part of the agreement, Gulf Coast Readers Inc. and defendants ANTHONY MOULDER and RHONDA MOULDER agreed to cease and desist certain practices, including "making any misrepresentations, or false or deceptive statements, in any communications with consumers." The companies also agreed to "[r]evise any and all scripts used for inbound and outbound calls to provide consumers with Clear and Conspicuous disclosures as to the material terms of any magazine subscription or other product purchased by the consumer, including but not limited to: the name of the magazines ordered, length of the subscription, number of payments, amount of each payment, payment schedule (i.e. monthly, quarterly or annually), method of payment and

cancellation policy, and ensure that each sales representative is provided with and substantially follows such script(s)." They also agreed to "[c]ease and desist from placing any unauthorized charges on consumers' credit or debit cards or bank accounts."

k. Approximately two months later, on June 1, 2014, defendant ANTHONY MOULDER incorporated another company, ARCO Media Inc., for use in conducting fraudulent magazine sales.

l. Defendants BARBARA MOULDER, LUIS ORLANDO MENDIZABAL, and JEFFREY SMOLIAK were telemarketers who conducted fraudulent magazine sales for ARCO Media Inc. and Gulf Coast Readers Inc. MENDIZABAL and SMOLIAK worked at the call center in Cape Coral, Florida. BARBARA MOULDER worked from her home in Minneapolis, Minnesota.

m. Defendant JOHN BLALOCK was the nominal owner and manager of Leisure Time Resources Inc., a Florida-based company involved in fraudulent magazine sales. Leisure Time Resources Inc. operated a call center in Cape Coral, Florida.

n. Defendant LLOYD LOFTIS worked as a manager for defendant ANTHONY MOULDER's companies, including ARCO Media Inc. and Leisure Time Resources Inc.

o. Defendants BRYANT CRITTEN, NATESHA MARSON, and THOMAS KIRITSIS were managers and telemarketers who conducted fraudulent magazine sales at Leisure Time Resources' call center in Cape Coral, Florida.

p. Defendant DANIEL KLIBANOFF owned and operated Multimedia Lists Inc., a North Carolina-based marketing firm that sold lead lists to companies involved in fraudulent magazine sales. Multimedia Lists Inc. was based in Ashville, North Carolina.

q. Defendant BRIAN COX owned and operated Mater Marketing Inc., a Georgia-based marketing firm that sold lead lists to companies involved in fraudulent magazine sales. Mater Marketing Inc. was based in Locust Grove, Georgia.

r. Defendant JOHN HARBERT III was a lead broker who sold lead lists to companies involved in fraudulent magazine sales from his home in Albuquerque, New Mexico.

s. Defendant AMONDO MILLER owned and operated Power Sales and Marketing, a Colorado-based company that sold lead lists to companies involved in fraudulent magazine sales. MILLER also owned Magazine Solutions, a company involved in fraudulent magazine sales. Magazine Solutions had a telemarketing call center in Denver, Colorado.

t. Defendant KILEY SAINDON was the manager of Magazine Solutions' call center in Denver, Colorado.

u. Defendants HENRY ARAGON and LUCILLE PATTERSON owned several Colorado-based magazine sales companies involved in fraudulent magazine sales, including Resources Source LLC, Magazine Unlimited LLC, Magazine Connection LLC, Magazine Club LLC, and Readers Services Inc.

v. In or about October 2011, the Attorney General for the State of Colorado filed a civil complaint against defendants ARAGON, LUCILLE PATTERSON, and several members of their extended family. The complaint alleged that ARAGON and LUCILLE PATTERSON were involved in a scheme to “deceive consumers into purchasing duplicative and expensive magazine subscriptions” by “pretend[ing] that they are the consumer’s current magazine provider” calling to check on the status of an existing magazine subscription.

w. In or about March 2012, defendants ARAGON and LUCILLE PATTERSON entered into a consent judgment with the Colorado Attorney General, agreeing to a permanent injunction barring them from owning, operating, or being involved in any company involved in magazine solicitations in the state of Colorado. Defendant ARAGON also agreed to pay \$275,000 in fines, penalties, and restitution.

x. After being barred from doing business in Colorado, defendants ARAGON and LUCILLE PATTERSON opened new companies in order to continue to engage in fraudulent magazine sales—first in Texas and later in Arizona. Defendant ARAGON owned and operated several Arizona-based companies involved in fraudulent magazine sales, including Magazine Direct LLC, Marketing Unlimited, and Digital Subscriptions Inc. ARAGON and his companies operated a telemarketing call center in Tempe, Arizona.

y. Defendant JAMES ANTHONY SIERRA was the manager of defendant ARAGON’s call centers in Colorado, Texas, and Arizona.

z. Defendant LUCILLE PATTERSON owned Publishers Service, Inc., an Arizona-based company involved in fraudulent magazine sales. LUCILLE

PATTERSON and her company operated a telemarketing call center in Tempe, Arizona.

aa. Defendants ARAGON and LUCILLE PATTERSON also owned and operated a telemarketing call center in Little Rock, Arkansas.

bb. Defendant TARA NICOLE CREASON was the manager of the Little Rock call center.

cc. Defendant YVONNE PATTERSON owned and operated Angels LLC, a Missouri-based company involved in fraudulent magazine sales. YVONNE PATTERSON and her company ran telemarketing call centers in Thayer, Missouri, and Pekin, Illinois.

dd. Defendant CHARITIE SEELYE managed the Pekin, Illinois, call center on behalf of defendant YVONNE PATTERSON.

ee. Defendant BONNIE COLBERT was a telemarketer who conducted fraudulent magazine sales for Angels LLC.

ff. Defendant JENNIFER GIRARDIN owned Readers Club of America, a Missouri-based company involved in fraudulent magazine sales. Readers Club of America ran a telemarketing call center in Thayer, Missouri.

gg. Defendant JESSICA PRINCE managed Readers Club of America's call center in Thayer, Missouri, on behalf of defendant GIRARDIN.

hh. Defendant BRIAN WILLIAMS owned and operated several Minnesota-based companies involved in fraudulent magazine sales, including Readers Club Home Office, Pacific Renewal, and Tropical Readers. WILLIAMS's companies operated call centers in South St. Paul, Minnesota.

ii. Defendant TASHENA CRUMP was the manager of defendant WILLIAMS's call centers in South St. Paul, Minnesota.

jj. Defendant JARED MICHELIZZI owned and operated several Minnesota-based companies involved in fraudulent magazine sales, including West Side Readerz and Central Subscription Services. MICHELIZZI's companies ran a call center in Fridley, Minnesota.

kk. Defendants ERIC McGARRITY, ANDREW LANDSEM, and BALLAM DUDLEY were telemarketers who conducted fraudulent magazine sales for West Side Readerz and Central Subscription Services. McGARRITY and LANDSEM worked at the call center in Fridley, Minnesota. DUDLEY worked at the call center in Fridley, Minnesota, and later worked from his home in Fayetteville, Arkansas.

ll. Defendants WILLIAMS and MICHELIZZI also owned and operated Pacific Beach Readers Club, a California-based company involved in fraudulent magazine sales. Pacific Beach Readers Club had a telemarketing call center in San Diego, California.

mm. Defendant CAITLIN SCHLUSSER was the manager of Pacific Beach Readers Club's call center in San Diego.

nn. Defendants MONICA SHARMA-HANSSEN and TIMOTHY HANSSEN owned and operated Midwest Publishers Home Office, a Minnesota-based company involved in fraudulent magazine sales. Midwest Publishers Home Office had a telemarketing call center in St. Louis Park, Minnesota.

oo. Defendants CORLOS SMITH was a telemarketer who conducted fraudulent magazine sales for Midwest Publishers Home Office.

pp. Defendant STACEY PERSONS owned and operated General Subscription Services and Amerimag Services LLC, two Minnesota-based companies involved in fraudulent magazine sales. The companies had a telemarketing call center in Fridley, Minnesota.

qq. Defendants PATRICIA SHINN and LEEANN GARCIA were telemarketers who conducted fraudulent magazine sales for General Subscription Services and Amerimag Services LLC.

rr. Defendant ERIC ESHERICK owned and operated Quality Readers LLC, a Minnesota-based company involved in fraudulent magazine sales. ESHERICK ran Quality Readers LLC from his home in Andover, Minnesota.

4. From at least in or about 2000 through in or about 2020, in the State and District of Minnesota, and elsewhere, the defendants,

RUSSELL JASON RAHM,
also known as "Rusty Rahm,"
TERRY LYNN CHRISTENSEN,
JANNICE KRISTINA LAUR,
PETRA JINETTE LABOY,
DAVID JOHN MOULDER,
ANTHONY EUGENE MOULDER,
RHONDA JEAN MOULDER,
BARBARA ANN MOULDER,
LUIS ORLANDO MENDIZABAL,
JEFFREY LEE SMOLIAK,
JOHN MICHAEL BLALOCK,
LLOYD JOSEPH LOFTIS,
BRYANT JARODE CRITTEN,
NATESHA JAHMELIA MARSON,
THOMAS ATHANASIOS KIRITSIS,
DANIEL MORRIS KLIBANOFF,

BRIAN DOUGLASS COX,
JOHN THOMAS HARBERT III,
AMONDO ANTOINE MILLER,
KILEY MARIE SAINDON,
also known as "Kiley Lucero,"
HENRY ARAGON,
LUCILLE J. PATTERSON,
also known as "Lucille Makatura,"
JAMES ANTHONY SIERRA,
TARA NICOLE CREASON,
YVONNE PATTERSON,
CHARITIE A. SEELYE,
BONNIE LEE COLBERT,
also known as "Bonnie Rankin,"
JENNIFER LYNN GIRARDIN,
also known as "Jennifer Key" and "Jennifer Roybal,"
JESSICA MARIE PRINCE,
BRIAN JAMES WILLIAMS,
JARED THOMAS MICHELIZZI,
TASHENA LAVERA CRUMP,
ERIC PATRICK McGARRITY,
ANDREW JOHN LANDSEM,
BALLAM HAZEAKIAH DUDLEY,
CAITLIN COLLEEN SCHLUSSER,
MONICA SABINA SHARMA-HANSSEN,
TIMOTHY PAUL HANSSEN,
also known as "Scotty,"
CORLOS KENTRELL SMITH,
STACEY LEIGH PERSONS,
also known as "Stacey Granberry,"
PATRICIA NICHOLE SHINN,
also known as "Nikki,"
LEEANN GARCIA,
also known as "Cali," and
ERIC STEPHEN ESHERICK,

did knowingly conspire with each other, and others known and unknown to the grand jury, to devise a scheme and artifice to defraud and to obtain money by materially false and fraudulent pretenses, representations, and promises, in connection with the conduct of telemarketing that victimized ten or more persons over the age of 55, and for the purpose of executing such scheme and artifice, caused the sending, delivering,

and receipt of various matters and things by United States Postal Service and private and commercial interstate carrier, in violation of Title 18, United States Code, Sections 1341, 1349, and 2326.

Overview and Purpose of the Conspiracy

5. The purpose of the conspiracy was to carry out a telemarketing fraud scheme involving magazine subscription sales. The conspiracy involved a nationwide network of telemarketing companies involved in fraudulent magazine sales. These companies used sales scripts to defraud victim-consumers, many of whom were elderly and otherwise vulnerable, across the United States. The fraudulent sales scripts were designed to induce consumers, through a series of lies and misrepresentations, into unwittingly signing up for expensive magazine subscriptions.

Defendants and Their Roles

6. The defendants and other members of the conspiracy worked together to carry out the fraudulent magazine sales scheme. The defendants held a number of different roles in the conspiracy and it was not uncommon for a member of the conspiracy to hold more than one role. The roles in the conspiracy included:

a. **Scheme Leaders:** Defendants RUSSELL RAHM and DAVID MOULDER owned companies that provided an array of services to companies involved in fraudulent magazine sales. Among other things, defendants RAHM and DAVID MOULDER provided customer relationship management (“CRM”) software programs that tracked orders, sales, and other customer information for companies involved in the fraudulent magazine sales scheme. Defendants RAHM and DAVID

MOULDER provided lead lists of consumers who had ongoing and active magazine subscriptions to companies involved in fraudulent magazine sales. Defendants RAHM and DAVID MOULDER, through their companies, loaded sales leads onto automated voice dialers that were used by the telemarketing call centers to call victim-consumers across the country. Defendants RAHM and DAVID MOULDER knew that the companies using the leads would attempt to defraud consumers on the lead lists by contacting them and pretending to be calling from the victim-consumers' existing magazine company about an existing subscription. Defendants RAHM and DAVID MOULDER and their companies sent out confirmation letters, invoices, bills, and collections letters to victim-consumers who had been defrauded by fraudulent magazine sales companies.

b. **Company Owners:** Defendants ANTHONY MOULDER, JOHN BLALOCK, AMONDO MILLER, HENRY ARAGON, LUCILLE PATTERSON, YVONNE PATTERSON, JENNIFER GIRARDIN, BRIAN WILLIAMS, JARED MICHELIZZI, MONICA SHARMA-HANSSEN, TIMOTHY HANSSEN, STACEY PERSONS, ERIC ESHERICK, and others (the "Company Owners") owned companies involved in fraudulent magazine sales. The Company Owners operated telemarketing call centers at which telemarketers used fraudulent sales scripts to trick victim-consumers into unwittingly signing up for expensive magazine subscriptions.

c. **Call Center Managers:** Defendants TERRY CHRISTENSEN, JANNICE LAUR, PETRA LABOY, RHONDA MOULDER, LLOYD LOFTIS, BRYANT CRITTEN, NATESHA MARSON, THOMAS KIRITSIS, KILEY SAINDON, JAMES SIERRA, TARA NICOLE CREASON, CHARITIE SEELYE, JESSICA

PRINCE, and TASHENA CRUMP (the “Call Center Managers”) managed call centers involved in fraudulent magazine sales. The Call Center Managers trained telemarketers to use the fraudulent sales scripts to defraud victim-consumers and supervised the call centers on a day-to-day basis. Many Call Center Managers also conducted fraudulent magazine sales.

d. **Telemarketers:** Defendants BARBARA MOULDER, LUIS MENDIZABAL, JEFFREY SMOLIAK, BONNIE COLBERT, ERIC McGARRITY, ANDREW LANDSEM, BALLAM DUDLEY, CORLOS SMITH, PATRICIA SHINN, and LEEANN GARCIA (the “Telemarketers”) were telemarketers at the call centers. The Telemarketers called victim-consumers around the United States using fraudulent sales scripts and, through a series of knowing and deliberate lies and misstatements, tricked the victim-consumers into unwittingly signing up for expensive new magazine subscriptions.

e. **Lead Brokers:** Defendants DANIEL KLIBANOFF, BRIAN COX, JOHN HARBERT III, and AMONDO MILLER (the “Lead Brokers”) were lead brokers in the business of buying and selling lead lists to fraudulent magazine sales companies. The Lead Brokers provided lead lists of consumers who had active and ongoing magazine subscriptions through other companies. The Lead Brokers provided these lead lists to the Company Owners knowing that they would use them to carry out the fraud scheme.

Manner and Means of the Conspiracy

7. The Company Owners operated telemarketing call centers throughout the United States, including in Minnesota, Florida, Kansas, Missouri, Illinois, Arizona, Arkansas, Texas, and Colorado.

8. As part of the scheme, Company Owners purchased lead lists from the Lead Brokers. The lead lists contained consumers who had active and ongoing magazine subscriptions through other companies. These lists were referred to as "paid-during-service" or "PDS" leads. Some of the PDS lead lists identified the magazines to which the individuals were currently subscribed and the credit card number or other payment information used to pay for the subscription. Telemarketers used the information on the PDS lead lists to fraudulently pose as the victim-consumers' existing magazine provider, calling about an existing subscription, rather than attempting to sign consumers up for an entirely new magazine subscription.

9. The Lead Brokers specifically marketed PDS lead lists to companies involved in the fraudulent magazine sales scheme. The Lead Brokers knew that many of the consumers on this list were elderly and susceptible to fraudulent and deceptive sales tactics. They also knew that PDS lists were particularly valuable to companies engaged in fraudulent magazine sales because the companies posed as the victim-consumers' existing magazine company to trick them into signing up for new subscriptions. Accordingly, PDS lead lists commanded a significant premium and sold for as much as \$10 or \$15 per name.

10. The Company Owners provided PDS lead lists to the Call Center Managers and Telemarketers. At the direction of the Company Owners and Call Center Managers, the Telemarketers called the names on the PDS lead lists using fraudulent sales scripts. The scripts directed the Telemarketers to claim—falsely—that they were calling from the victim-consumers' existing magazine subscription company and about an existing magazine subscription. The Telemarketers claimed—again falsely—to be calling with an offer to renew the victim-consumer's existing magazine subscription, often at a reduced cost. In reality, the companies had no existing relationship with most of the victim-consumers and the Telemarketers were not calling about an existing magazine subscription. Instead they were calling to defraud them by tricking them into unwittingly signing up for entirely new magazine subscriptions. Some companies would also call lists of their own victim-consumers and, using a similarly fraudulent script, trick them into signing up for additional magazine subscriptions.

11. The Company Owners, Call Center Managers, Telemarketers, and Lead Brokers all knew that many of the consumers on these lists were elderly and susceptible to fraudulent and deceptive sales tactics. Nevertheless, the defendants called people on these lists and tricked them into signing up for expensive magazine subscription packages.

12. The Company Owners also bought and sold lists of their own victim-consumers to one another. As with the PDS lead lists purchased from the Lead Brokers, the Company Owners directed the Telemarketers to use this information to fraudulently pose as the victim-consumers' existing magazine company and falsely

claim to be calling with an offer to renew or reduce the price of an existing magazine subscription. As a result, many victim-consumers were victimized again and again by multiple magazine companies. Some victim-consumers were fraudulently billed by ten or more magazine companies at a time and received more than \$1,000 in magazine subscription charges in a month.

13. The Company Owners took steps to cover up their fraud. The Company Owners and Call Center Managers directed the Telemarketers to record only a final portion of the call, during which the Telemarketers “verified” that the victim-consumers were purchasing a new magazine subscription package. The Company Owners and Call Center Managers instructed the Telemarketers not to record the earlier portion of the call, during which they falsely represented that they were calling to lower the payments on an existing magazine subscription. The Company Owners later used these deceptive recordings when victim-consumers attempted to challenge the charges and reported the fraud to the Better Business Bureau (“BBB”), state Attorney General offices, and other regulatory agencies.

14. The Company Owners often operated call centers under multiple company names to disguise the scope of their fraud scheme. The Company Owners sought to spread out the number of consumer complaints among multiple companies to reduce the likelihood that any single company would come under investigation by the BBB or a state Attorney General’s office.

15. Some Company Owners hid the identity and location of their companies by registering the companies with multiple out-of-state secretary of state offices and using virtual offices in different states as the companies’ mailing address. The

Company Owners did this to confuse victim-consumers and make it difficult for them to identify the company that was fraudulently billing them.

16. During the course of their scheme, the co-conspirators defrauded more than 150,000 victims across the United States. In all, they received more than \$300 million from the victims of the scheme.

All in violation of Title 18, United States Code, Sections 1349 and 2326.

Counts 2-10
(Mail Fraud)

17. The allegations in paragraphs 1 through 16 of the Indictment are incorporated herein.

18. From at least in or about 2000 through in or about 2020, in the State and District of Minnesota, and elsewhere, the defendants,

ANTHONY EUGENE MOULDER,
RHONDA JEAN MOULDER,
BARBARA ANN MOULDER,
LLOYD JOSEPH LOFTIS,
JOHN THOMAS HARBERT III,
BRIAN JAMES WILLIAMS,
JARED THOMAS MICHELIZZI,
ERIC PATRICK McGARRITY,
ANDREW JOHN LANDSEM,
BALLAM HAZEAKIAH DUDLEY,
MONICA SABINA SHARMA-HANSEN,
TIMOTHY PAUL HANSEN,
also known as "Scotty,"
CORLOS KENTRELL SMITH, and
STACEY LEIGH PERSONS,
also known as "Stacey Granberry,"

and others known and unknown to the grand jury, and in connection with the conduct of telemarketing that victimized ten or more persons over the age of 55, did knowingly devise and participate in a scheme and artifice to defraud and to obtain money by

means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts.

19. On or about the dates listed below, in the State and District of Minnesota and elsewhere, the defendants, as set forth below, for the purpose of executing the scheme described above, knowingly caused to be sent by the U.S. Postal Service certain matters or things, including the following:

Count	Defendants	Date (on or about)	Mail Details
2	WILLIAMS	January 4, 2016	A letter sent from Readers Club Home Office in Minnesota to Victim Patrick R. in Virginia
3	SHARMA-HANSSEN, HANSSEN	December 5, 2016	A letter sent from Midwest Publishers Inc. in Minnesota to Victim Wanda Z. in Pennsylvania
4	PERSONS	February 5, 2018	A letter sent from Amerimag Services in Minnesota to Victim Kathleen M. in Ohio
5	SHARMA-HANSSEN, HANSSEN, SMITH	December 19, 2018	A check sent from Victim Phyllis S. in New York to Midwest Publishers Home Office in Minnesota
6	MICHELIZZI, McGARRITY, DUDLEY	May 28, 2019	A check sent from Victim Phyllis S. in New York to Central Subscription Service in Minnesota
7	HARBERT, MICHELIZZI	October 3, 2019	A package sent from HARBERT in New Mexico to West Side Readerz in Minnesota containing hard copy lead sheets
8	ANTHONY MOULDER, RHONDA MOULDER, BARBARA MOULDER, LOFTIS	December 11, 2019	A package sent from LOFTIS in Florida to BARBARA MOULDER in Minnesota containing hard copy lead lists
9	MICHELIZZI, LANDSEM	December 27, 2019	A letter sent from Central Subscription Service in Minnesota to the undercover Postal Inspection Service employee

			posing as "Virginia Cova" in Michigan
10	SCHARMA-HANSSEN, HANSSEN	February 12, 2020	A check for \$59.90 made out to Midwest Publishers sent from Victim Barbara W. in New Jersey to Midwest Publishers Home Office in Minnesota

All in violation of Title 18, United States Code, Sections 1341 and 2326.

Counts 11-53
(Wire Fraud)

20. The allegations in paragraphs 1 through 19 of the Indictment are incorporated herein.

21. From at least in or about 2000 through in or about 2020, in the State and District of Minnesota, and elsewhere, the defendants,

RUSSELL JASON RAHM,
also known as "Rusty Rahm,"
TERRY LYNN CHRISTENSEN,
JANNICE KRISTINA LAUR,
PETRA JINETTE LABOY,
DAVID JOHN MOULDER,
ANTHONY EUGENE MOULDER,
RHONDA JEAN MOULDER,
BARBARA ANN MOULDER,
LUIS ORLANDO MENDIZABAL,
JEFFREY LEE SMOLIAK,
JOHN MICHAEL BLALOCK,
LLOYD JOSEPH LOFTIS,
NATESHA JAHMELIA MARSON,
THOMAS ATHANASIOS KIRITSIS,
DANIEL MORRIS KLIBANOFF,
BRIAN DOUGLASS COX,
JOHN THOMAS HARBERT III,
AMONDO ANTOINE MILLER,
KILEY MARIE SAINDON,
also known as "Kiley Lucero,"
HENRY ARAGON,
LUCILLE J. PATTERSON,
also known as "Lucille Makatura,"

JAMES ANTHONY SIERRA,
YVONNE PATTERSON,
CHARITIE A. SEELYE,
BONNIE LEE COLBERT,
also known as "Bonnie Rankin,"
JENNIFER LYNN GIRARDIN,
also known as "Jennifer Key" and "Jennifer Roybal,"
JESSICA MARIE PRINCE,
BRIAN JAMES WILLIAMS,
JARED THOMAS MICHELIZZI,
TASHENA LAVERA CRUMP,
ERIC PATRICK McGARRITY,
ANDREW JOHN LANDSEM,
BALLAM HAZEAKIAH DUDLEY,
CAITLIN COLLEEN SCHLUSSER,
MONICA SABINA SHARMA-HANSEN,
TIMOTHY PAUL HANSEN,
also known as "Scotty,"
CORLOS KENTRELL SMITH,
STACEY LEIGH PERSONS,
also known as "Stacey Granberry,"
PATRICIA NICHOLE SHINN,
also known as "Nikki,"
LEEANN GARCIA,
also known as "Cali," and
ERIC STEPHEN ESHERICK,

and others known and unknown to the grand jury, and in connection with the conduct of telemarketing that victimized ten or more persons over the age of 55, did knowingly devise and participate in a scheme and artifice to defraud and to obtain money by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts.

22. On or about the dates listed below, in the State and District of Minnesota and elsewhere, the defendants, as set forth below, for the purpose of executing the scheme described above, knowingly caused to be transmitted by means

of a wire communication in interstate commerce, certain writings, signs, signals, and sounds, including the following:

Count	Defendants	Date (on or about)	Wire Details
11	MILLER, MICHELIZZI	April 11, 2016	An email containing a PDS test file from MILLER in Colorado to MICHELIZZI in Minnesota
12	DAVID MOULDER, GIRARDIN, PRINCE	May 13, 2016	A wire communication from Readers Club of America in Missouri to PS Online in Minnesota related to a magazine sale to victim Jonathan P.
13	DAVID MOULDER, GIRARDIN, PRINCE	May 19, 2016	A wire communication from Readers Club of America in Missouri to PS Online in Minnesota related to a magazine sale to victim Phyllis S.
14	DAVID MOULDER, ANTHONY MOULDER, RHONDA MOULDER, MENDIZABAL, BLALOCK, LOFTIS	June 19, 2016	A wire communication from Leisure Time Resources Inc. in Florida to PS Online in Minnesota related to a charge to Victim Elizabeth H.
15	MILLER, MICHELIZZI	June 27, 2016	An email with the subject line "Hard copies" from MILLER in Colorado to MICHELIZZI in Minnesota
16	DAVID MOULDER, ANTHONY MOULDER, RHONDA MOULDER, BLALOCK, LOFTIS, KIRITSIS	August 8, 2016	A wire communication from Leisure Time Resources Inc. in Florida to PS Online in Minnesota related to a magazine charge to Victim Phyllis S.
17	YVONNE PATTERSON, SEELYE, COLBERT	March 3, 2017	A phone call from an employee of Angels LLC to Victim Sharon G. in Minnesota
18	DAVID MOULDER, MILLER, SAINDON	March 7, 2017	A wire communication from Magazine Solutions in Colorado to PS Online in Minnesota related to a charge to Victim Phyllis S.

19	DAVID MOULDER, ANTHONY MOULDER, RHONDA MOULDER, LOFTIS	May 11, 2017	A wire communication from Gulf Coast Readers Inc. in Florida to PS Online in Minnesota related to a charge to Victim Marina G.
20	ARAGON, SIERRA	July 3, 2017	A phone call from an employee of Magazine Direct to Victim Sharon G. in Minnesota
21	MILLER, SAINDON	July 21, 2017	A phone call from an employee of Magazine Solutions in Colorado to Victim Sharon G. in Minnesota
22	DAVID MOULDER, ANTHONY MOULDER, RHONDA MOULDER, BLALOCK, LOFTIS, MENDIZABAL, KIRITSIS	August 9, 2017	A wire communication from Leisure Time Resources Inc. in Florida to PS Online in Minnesota related to a charge to Victim Phyllis S.
23	MICHELIZZI, DUDLEY	September 14, 2017	A phone call from DUDLEY in Minnesota to Victim Jonathan P. in Oregon
24	ESHERICK	March 12, 2018	A wire communication from ESHERICK in Minnesota to an out-of-state server processing a \$49.90 charge to the credit card of Victim Jonathan P.
25	DAVID MOULDER, ANTHONY MOULDER, RHONDA MOULDER, LOFTIS	May 1, 2018	A wire communication from ARCO Media Inc. in Florida to PS Online in Minnesota related to a charge to Victim Traci F.
26	HARBERT, MILLER, ESHERICK	August 15, 2018	An email with the subject line "Fwd: Part 4 of 5" from HARBERT in New Mexico to ESHERICK in Minnesota
27	YVONNE PATTERSON, SEELYE, COLBERT	August 31, 2018	A phone call from an employee of Angels LLC to Victim Conner L. in Minnesota
28	ARAGON, SIERRA	September 20, 2018	A wire transfer of approximately \$11,935 from a merchant account held by Magazine Direct at Merrick Bank in New York to a business account held by Magazine Direct at Wells Fargo

			that passed through Wells Fargo servers located in Minnesota
29	DAVID MOULDER, SHARMA-HANSSEN, HANSSEN, SMITH	October 5, 2018	A phone call from SMITH in Minnesota to Victim Peter B. in Pennsylvania
30	RAHM, CHRISTENSEN, LAUR, LABOY, DAVID MOULDER	October 12, 2018	A wire communication from Preferred Media Solutions in Florida to PS Online in Minnesota related to a charge to Victim Melissa A.
31	RAHM, CHRISTENSEN, LAUR, LABOY, DAVID MOULDER	October 15, 2018	A wire communication from Preferred Media Solutions in Florida to PS Online in Minnesota related to a charge to Victim Paula C.
32	MILLER, LUCILLE PATTERSON	October 22, 2018	A phone call from an employee of Publishers Service, Inc. in Arizona to Victim Sharon G. in Minnesota
33	RAHM, CHRISTENSEN, LAUR, LABOY, DAVID MOULDER	November 14, 2018	A wire communication from Preferred Media Solutions in Florida to PS Online in Minnesota related to a charge to Victim Teresa S.
34	RAHM, CHRISTENSEN, LAUR, LABOY, DAVID MOULDER	December 26, 2018	A wire communication from Preferred Media Solutions in Florida to PS Online in Minnesota related to a charge to Victim Gloria O.
35	KLIBANOFF, PERSONS	February 18, 2019	An email with the subject line "Multimedia Lists PDS Test File" from an employee at Multimedia Lists Inc. in North Carolina to KLIBANOFF and PERSONS in Minnesota
36	KLIBANOFF, WILLIAMS, CRUMP	February 18, 2019	An email with the subject line "Multimedia Lists PDS Test File" from an employee at Multimedia Lists Inc. in North Carolina to KLIBANOFF and CRUMP in Minnesota
37	DAVID MOULDER, ANTHONY MOULDER,	April 24, 2019	A wire communication from Leisure Time Resources Inc. in

	RHONDA MOULDER, BLALOCK, LOFTIS, MARSON, KIRITSIS		Florida to PS Online in Minnesota related to a charge to Victim Bonita C.
38	RAHM, DAVID MOULDER	May 2, 2019	An email with the subject line "Invoice 5534 from PS Online" from a PS Online employee in Minnesota to Individuals JH and AL in Kansas
39	DAVID MOULDER, ANTHONY MOULDER, LOFTIS, BLALOCK	May 2, 2019	An email with the subject line "Invoice 5526 from PS Online" from a PS Online employee in Minnesota to LOFTIS in Florida
40	DAVID MOULDER, WILLIAMS, CRUMP	May 2, 2019	An email with the subject line "Invoice 5537 from PS Online" from a PS Online in Minnesota to WILLIAMS and CRUMP that passed through Yahoo! email servers located outside the state of Minnesota
41	MICHELIZZI, McGARRITY, DUDLEY	July 9, 2019	A phone call from McGARRITY in Minnesota to Victim Phyllis S. in New York
42	COX, SIERRA SHARMA-HANSSEN, HANSSEN	July 16, 2019	An email with the subject line "Files Available!!!" from COX in Georgia to SIERRA and HANSSEN in Minnesota
43	COX, SHARMA-HANSSEN, HANSSEN	July 17, 2019	An email with the subject line "Premiums handwrites attached" from COX in Georgia to HANSSEN in Minnesota
44	COX, SHARMA-HANSSEN, HANSSEN, SMITH	July 18, 2019	A wire communication from Midwest Publishers Home Office in Minnesota to an out-of-state server processing a \$44.90 charge to the credit card of an undercover Postal Inspector posing as "Rose Cubur"
45	COX, SHARMA-HANSSEN, HANSSEN	July 23, 2019	An email with the subject line "Re: Premium handwrites attached" from HANSSEN in Minnesota to SHARMA- HANSSEN and COX that

			passed through email servers located outside of Minnesota
46	RAHM, DAVID MOULDER	August 8, 2019	An email with the subject line "TCS additional collections" from an employee of Subscription Ink Co. in Kansas to DAVID MOULDER in Minnesota and RAHM
47	HARBERT, WILLIAMS, CRUMP	October 1, 2019	An email with the subject line "Re: John Harbert !" from HARBERT in New Mexico to CRUMP in Minnesota offering to sell handwritten lead lists
48	ANTHONY MOULDER, LOFTIS, RHONDA MOULDER, BARBARA MOULDER	December 11, 2019	An email with the subject line "New leads" from LOFTIS in Florida to BARBARA MOULDER in Minnesota
49	PERSONS, SHINN, GARCIA	December 20, 2019	A wire communication from Amerimag Services LLC in Minnesota to an out-of-state server processing a \$49.90 charge to the credit card of an undercover FBI agent posing as "Chris Lee"
50	MICHELIZZI, LANDSEM	December 27, 2019	A wire communication from Central Subscription Services in Minnesota to an out-of-state server processing a \$59.80 charge to the credit card of an undercover Postal Inspection Service employee posing as "Virginia Cova"
51	RAHM, CHRISTENSEN, LAUR, LABOY	January 3, 2020	A phone call from an employee of Preferred Media Solutions in Florida to an undercover posing as "Sarah Shadwick"
52	WILLIAMS, SCHLUSSLER	February 16, 2020	A phone call from SCHLUSSLER in California on behalf of Pacific Beach Readers Club to an undercover FBI agent posing as "Timothy Brady" in Minnesota

53	SMOLIAK, MICHELIZZI	February 17, 2020	A fax containing customer leads sent by SMOLIAK in Florida to MICHELIZZI in Minnesota
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All in violation of Title 18, United States Code, Sections 1343 and 2326.

FORFEITURE ALLEGATIONS

23. Counts 1 through 53 of this Indictment are incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) in conjunction with Title 28, United States Code, Section 2461(c).

24. If convicted of any of Counts 1 through 53 of this Indictment, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to Counts 1 through 53 of the Indictment.

25. If convicted of any of Counts 1 through 53 of this Indictment, the defendants shall also forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(8), any real or personal property used or intended to be used to commit, facilitate, or promote the commission of the mail and wire fraud schemes alleged in Counts 1 through 53 of the Indictment.

26. The property subject to forfeiture includes, but is not limited to:

- a. \$100,452.50 seized from Regions Bank, account No. 0263748037, in the name of ARCO Media Inc.;
- b. \$105,943.21 seized from Regions Bank, account No. 0263748266, in the name of ARCO Media Inc.;
- c. \$9,980.83 seized from Wells Fargo, account No. 3931950467, in the name of Magazine Direct;

- d. \$33,676.99 seized from Merrick Bank, merchant account No. 7851000000001164, in the name of Angels LLC;
- e. \$89,353.88 seized from Merrick Bank, account No. 7851000000001289, in the name of Central Subscription Service, Ltd.;
- f. \$40,313.40 seized from MidwestOne Bank, account No. 251835, in the name of West Side Readerz Inc.;
- g. \$49,200.70 seized from TCF National Bank, account No. 7868070788, in the name of Central Subscription Service Ltd.;
- h. \$43,579.77 seized from TCF National Bank, account No. 1852365176, in the name of Subscriber Service Center;
- i. \$30,722.30 seized from Associated Bank, account No. 2283264493, in the name of Midwest Publishers Home Office Inc. DBA Bee Marketing;
- j. \$50,821.04 seized from Associated Bank, account No. 2283264485, in the name of Midwest Publishers Home Office Inc.;
- k. \$2,360.96 seized from US Bank, account No. 104784814923, in the name of Brian J Williams DBA Tropical Readers;
- l. \$457.25 seized from Associated Bank, account No. 7645021071, in the name of Readers Club Home Office Inc.;
- m. \$402.71 seized from US Bank, account No. 104780000097, in the name of Readers Club of America;
- n. \$280.80 seized from TCF National Bank, account No. 3869928751, in the name of Tropical Readers;
- o. Cashier's check # 20064 76977 in the amount of \$48,000 dated 12/28/18 and made payable to Monica S. Hanssen;
- p. Cashier's check # 20064 78496 in the amount of \$50,000 dated 12/31/18 and made payable to Monica S. Hanssen;
- q. Cashier's check # 2006677886 in the amount of \$100,000 dated 02/20/20 and made payable to Monica S. Hanssen;

- r. Cashier's check # 2006677922 in the amount of \$100,000 dated 02/20/20 and made payable to Monica Hanssen;
- s. \$280.80 seized from TCF National Bank account number 3869928751, in the name of Tropical Readers;
- t. \$402.71 seized from US Bank acct # 104780000097, in the name of Readers Club of America;
- u. \$1,100 in U.S. Currency seized from Monica Sharma-Hanssen on February 19, 2020;
- v. \$10,976 in U.S. Currency seized on February 21, 2020, from three safes at 10406 Shawnee Mission Parkway, Shawnee, Kansas, in the amounts of \$10,355, \$111, and \$510, respectively;
- w. Brietling Watch, Super Avenger model A13370, serial number 252453;
- x. Miscellaneous jewelry seized from 46 Park Ave. N., Asheville, North Carolina on February 19, 2020;
- y. \$12,380 in U.S. Currency seized from a safe at 46 Park Ave. N., Asheville, North Carolina on February 19, 2020;
- z. The real property located at 2 Maclynn Road, Excelsior, Minnesota;
- aa. The real property located at 5416 51st Avenue N., Crystal, Minnesota;
- bb. The real property located at RR1 Box 1195 C, Thayer, Missouri;
- cc. The real property located at 910 W. Cape Estates Cir., Cape Coral, Florida;
- dd. The real property located at 916 W. Cape Estates Cir., Cape Coral, Florida;
- ee. The real property located at 1022 SE 46th Street, 1B, Cape Coral, Florida;
- ff. The real property located at 17962 Judicial Road, Lakeville, Minnesota;

gg. The real property located at 10406 Shawnee Mission Parkway, Shawnee, Kansas;

hh. The real property located at 258 Belle Vista Court, Lake Ozark, Missouri; and

ii. The real property located at 10505 S. Highland Lane, Olathe, Kansas.

27. If any of the above-described property is unavailable for forfeiture, the United States intends to seek the forfeiture of substitute property as provided for in Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(b).

A TRUE BILL

UNITED STATES ATTORNEY

FOREPERSON